

Employers Seek Alternatives for Easing Costs of Going to Work

With gas prices still high and possibly going higher, companies are trying to help their employees save money on their daily commutes by signing up for commuter tax benefit programs and discount programs with local mass transit and offering transportation subsidies, the Associated Press reports. Employers can also reap tax benefits from those participating in the commuter tax program which can help them to retain their employees. A survey by the federally funded Best Workplaces for Commuters said 12 percent of respondents had considered switching their jobs simply to shorten their commute.

Martha Fitts, who works in human resources at the Regence Group, a Blue Cross Blue Shield provider based in Portland, Oregon, decided to take advantage of her employer's transportation subsidy because it meant that she could get to work virtually for free using public transportation. Regence had recently increased its monthly subsidy from \$30 to \$70. "I've been kind of fed up with the pure volume of gas I've been purchasing," she said, according to the AP. "I thought I'd try for a month to see what it was like to ride the bus – and I liked it." Fitts estimates she will save from \$250 to \$300 a month in gas and parking fees for her car. The downside of her decision is that it adds 15 minutes to her commuting time.

Currently the Internal Revenue Service under IRS rule 132(f) allows commuters to receive up to \$105 a month in tax-free transit benefits from participating employers. This can translate into \$400 a year in income tax savings, according to David Judd, vice president of Commuter Check, a transit benefit program administrator, NorthJersey.com reports.

Employers can achieve tax savings too, as costs for using companies like Commuter Check are tax deductible, and when wages are set aside as a pre-tax benefit, employers can reduce their payroll tax.

Technology is making commuter transit assistance more efficient. TransitCenter, which introduced the first commuter benefits program, Transitchek, in the New York region in 1987 and now serves more than 500,000 employees, has announced a new card that is pre-loaded with tax dollars. The card is anonymous, reloadable, and can be used wherever card-based payment is accepted, businesswire.com says.

Kansas City carpoolers who are looking to connect with others for transportation to work can now use the Mid-America Regional RideShare (MARC) program's online service, called Carpool Connection, the Kansas City Business Journal says. Marge Gasnick, MARC's RideShare program manager, said that the program had about 300 members currently registered and hopes to have 1,500 commuters by the end of 2006. The site uses a customized version of the Greenride software developed by Ecology and Environment of Lancaster, New York.

Children's Memorial Hospital in Chicago provides a shuttle bus to and from the nearest train station, in addition to allowing employees to pay for transportation with pre-tax dollars. Luis Duarte, the hospital's security chief, who started using a combination of the shuttle and public transportation in April says, according to the AP, "I tell my wife: Look at this – we got a little more money between us. I started some mutual funds. I started a college fund for my youngest daughter." His commute time for the 40 mile trip has increased 15 minutes.

Self-employed workers and employees without benefits will be allowed to deduct up to \$1,260 per year, or \$2,250 for a joint return for commuting costs under a proposed a bi-partisan bill, the Reducing Individuals' Dependence on Energy (RIDE) bill, H.R. 5662, co-sponsored by Congressman Michael G. Fitzpatrick (R-PA), the Newtown Advance reports. "If you're not lucky enough to work for one of those companies [that sponsor commuter tax benefits] or you're a student," Fitzpatrick says, "you don't get that benefit. I believe it's discriminatory, it's wrong, and it's bad for the environment, as well."

The congressman's staff quoted an EPA statistic showing that employees are 20 percent more likely to commute to work by a means other than driving alone "when offered a high quality commuter benefit."

AccountingWEB.com Jul-12-2006

Copyright © 2006 [AccountingWEB, Inc.](#) All rights reserved.